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REVIEW OF DELAYS IN PERSONNEL  
DOCUMENT PROCESSING

DEPARTMENT OF PUBLIC HEALTH  
APRIL 1973

REVIEW OF DELAYS IN PERSONNEL  
DOCUMENT PROCESSING

In response to a legislative request, we have reviewed the personnel document delays at the Department of Public Health for the period of July 1, 1972 through March 1973. The scope of this review was limited to determining the extent, cause and effects of the delays in document processing for employees of this department.

Several hundred employees of the Department of Public Health have been affected to some degree by not having timely salary payments from the State Controller. Delays have occurred at the Department of Public Health and the State Personnel Board.

DURING THE LAST SIX MONTHS OF 1972  
AN AVERAGE OF 15 PERCENT OF THE  
DEPARTMENT PAYROLL WAS DELAYED OR IN ERROR

There are approximately 2,000 persons employed by the Department of Public Health. During the last six months of 1972, the number of salary advances from the department revolving fund varied from a low of 216 in October to a high of 482 in September with an average of 308 a month. Some of these advances may have been for reasons unrelated to delayed personnel documents, such as for payments to newly-hired employees. However, the major causes of these advances have been either non receipt of payroll warrants or receipt of incorrect warrants. The number of revolving fund advances decreased to 72 in February 1973, indicating the problem with delayed documents has decreased.

Reasons for erroneous or delayed payments have been:

- The department's personnel section has had a high rate of personnel turnover. As a result, employees preparing personnel transaction documents have been inexperienced and lacked adequate training. Statistics maintained by the personnel board disclose that 46 percent of the personnel transaction documents submitted by the Department of Public Health in December 1972 contained errors requiring corrections.
- During the period under review the State Personnel Board required an average of two months time to approve and process personnel change documents.

YEAR-END STATEMENTS OF EARNINGS  
AND WITHHOLDINGS (W-2'S) WERE IN ERROR

Twenty-six employees requested and received letters from the Department of Public Health explaining that the earnings shown on their 1972 earnings and withholding statements were in error. The letters were to be mailed with individuals' tax returns. We did not determine how many other employees had erroneous earnings and withholding statements but had not requested a letter of explanation.

The effect of document delay on individuals is usually a delay in payment of the payroll deductions, such as insurance or credit union payments. The employee can receive his net pay as a salary advance from the department revolving fund. When the State Controller receives the approved documents, the employee's

deductions are paid and the employee's paycheck is used to pay back the previous advance from the revolving fund.

The employee's year-end earnings and withholding statements will show only the salary paid by the State Controller. For example, if the payment for work in November 1972 is not paid by the State Controller until January 1973, the earnings and withholding statement for 1972 would not include the November earnings. November earnings would be reported as earned in 1973.

DELAYED PAYROLL DOCUMENT  
PROCESSING IS A STATE-WIDE PROBLEM

Attached are copies of two memos from the State Personnel Board that indicate the problem of document delays is not confined to the Department of Public Health. Temporary changes have been made to reduce inconvenience to employees because of delays caused by the present personnel document processing system. The present system is not designed to handle the existing work load. The memo indicates a new system is being developed.

Walter J. Quinn  
Acting Deputy Auditor General

April 26, 1973

Staff: Phillips Baker  
Ross Luna  
Richard Porter



## CALIFORNIA STATE PERSONNEL BOARD

Date of Issue: November 29, 1972

Destroy After: July 1, 1973

MEMO TO: ALL STATE AGENCIES


SUBJECT: Tentative Certification of Appointment Documents

As stated in the attached letter, I am tentatively certifying all appointment documents for three pay periods after the effective date of the action for the balance of this fiscal year.

My primary objective in giving this tentative certification is to reduce the inconveniences employees are currently experiencing when they do not receive a Controller's issued pay check due to their documents not being prepared and processed in a timely manner. I do not feel employees should be inconvenienced when most of us are experiencing heavy document work loads.

Our ultimate objective is to develop and implement a new personnel-payroll system more responsive to the needs of employees and managers. Since this is not an objective which can be obtained overnight, it is the responsibility of all of us involved to work together to make adjustments to the existing system.

The action being taken places an increased burden on the departmental transaction process in that errors might not be identified as early as has been the case. I therefore urge all departments to make a maximum effort to process documents as timely and accurately as possible. Hopefully, this action will reduce existing backlogs, but it will not impact the problem if new backlogs are permitted to accumulate.

  
RICHARD L. CAMILLI  
Executive Officer

Attach.

# Memorandum

To : Austen D. Smart  
Assistant Deputy Controller,  
Administrative  
State Controller's Office

Date : November 22, 1972

Subject: Tentative certification of appointment documents.

From : State Personnel Board

Effective as of November 30, 1972, through June 30, 1973, I certify that advance copies of appointment documents requiring my approval are tentatively approved for three pay periods. As we have discussed on various occasions in connection with PIMS, the requirements facing our personnel documentation function have continued to overburden the system with paper work at all levels. As is generally true when a system becomes overburdened, delays occur in originating the document and in getting the document processed through the system. As a consequence, the innocent employee is the one who suffers in that his pay check is delayed and deductions are not properly credited to him.

We all agree that our current system and staffing, starting at the appointing power level, were not designed to meet the existing work load and that we must strive toward establishing a new system which will greatly simplify and decrease the documentation currently required. In the meantime, employees should not continue to suffer the consequences while a new system is designed and implemented. Therefore, the action which I am taking is viewed as necessary to help alleviate some of the problems the overburdened system is causing employees. The advantages of this action are:

1. Employee would receive a Controller's issued pay check instead of a revolving fund check when his documents are delayed and his deductions would be properly credited. The State of California as the employer is obligated to provide this service.
2. Departments, Personnel Board, and the Controller's Office will better be able to process documents through internal channels in a timely manner.
3. The time and cost of issuing revolving fund checks, reimbursing revolving funds, the making back payments to insurance carriers, credit unions, etc., will be reduced.

I recognize in making this change the delays could continue to occur and, therefore, it will be necessary that special efforts be made by all parties to expeditiously complete all transactions. In addition, it is recognized that this action will place a greater burden on the appointing power to

Austen D. Smart

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November 22, 1972

Subj: Tentative certification  
of appointment documents.

assure that errors are not made, particularly in the area of salary and eligibility.

The Attorney General's Office indicates no legal problems attaching to this action.

  
RICHARD L. CAMILLI  
Executive Officer